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of the score of the next available application on the ranking list.

§ 1415.9 Enrollment of easements and rental agreements.

(a) Based on the priority ranking, USDA will notify applicants in writing of their tentative acceptance into the program for either rental agreement or conservation easement options. The participant has 15 calendar days from the date of notification to sign and submit a letter of intent to continue. A letter of intent to continue from the applicant authorizes USDA to proceed with the enrollment process and evidences a good faith intent on the part of the applicant to participate in the program.

(b) An offer of tentative acceptance into the program does not bind the USDA to acquire an easement or enter into a rental agreement, nor does it bind the participant to convey an easement, enter into a rental agreement, or agree to restoration activities.

(c) For easement projects, land is considered enrolled after the landowner signs the intent to continue. For rental agreements, land is considered enrolled after a GRP contract is approved by USDA and signed by the participant.

(d) USDA provides the applicant with a description of the easement or rental area; the easement terms or rental terms and conditions; and other terms and conditions for participation that may be required by CCC.

(e) For easements, after the land is enrolled, USDA will proceed with the development of the conservation plan and obtain an appraisal. If the landowner accepts the appraisal offer from USDA, the landowner signs an option agreement to purchase for the appraisal amount. USDA will then proceed with other easement acquisition activities, which include a survey of the easement, securing necessary subordination agreements, procuring title insurance, developing a baseline data report, and conducting other activities necessary to record the easement.

(f) Prior to execution by USDA and the participant of the rental agreement or easement, USDA may withdraw its offer anytime due to lack of available funds, title concerns for easements, or

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other reasons. For easements, the appraisal offer to the participant shall be void if the easement is not executed by the participant within the time specified in the option agreement to purchase.

§ 1415.10 Compensation for easements and rental agreements.

(a) Compensation for easements will be based upon:

(1) The fair market value of the land, less the grazing value encumbered by the easement as determined by an appraisal for permanent easements; and

(2) Thirty percent of the value determined in paragraph (a)(1) of this section for 30-year easements or for an easement for the maximum duration permitted under State law.

(b) For 10-, 15-, 20-, and 30-year rental agreements, the participant will receive not more than 75 percent of the grazing value in an annual payment for the length of the agreement, as determined by USDA. USDA may adjust rental agreement rates, not to exceed the statutory limits, based on duration of agreement, inflation, and other economic considerations associated with grazing lands.

(c) In order to provide for better uniformity among States, the FSA Administrator and the NRCS Chief may review and adjust, as appropriate, State or other geographically based payment rates for rental agreements.

(d) For easements, to minimize expenditures on individual appraisals and to expedite program implementation, USDA may complete a programmatic appraisal to establish regional average market values and grazing values if acceptable under federally recognized real property valuation standards.

(e) Easement or rental agreement payments received by participant shall be in addition to, and not affect, the total amount of payments that the participant is otherwise eligible to receive under other USDA programs.

§ 1415.11 Restoration agreements.

(a) Restoration agreements are only authorized to be used in conjunction with easements and rental agreements. NRCS, in consultation with the program participant, determines if the grassland resources are adequate to

meet the participant's objectives and the purposes of the program, or if a restoration agreement is needed. Such a determination is also subject to the availability of funding. USDA may condition participation in the program upon the execution of a restoration agreement depending on the condition of the grassland resources. When the functions and values of the grassland are determined adequate by NRCS, a restoration agreement is not required. However, if a restoration agreement is required, NRCS will set the terms of the restoration agreement. The restoration agreement identifies conservation practices and measures necessary to restore or improve the functions and values of the grassland. If the functions and values of the grassland decline while the land is subject to a GRP easement or rental agreement through no fault of the participant, the participant may enter into a restoration agreement at that time to improve the functions and values with USDA approval and when funds are available.

(b) Restoration practices are those land management, vegetative, and structural conservation practices and measures that will restore or improve the grassland ecological functions and values on native and naturalized plant communities. The NRCS State Conservationist, with advice from the State technical committee and in consultation with FSA, determines the conservation practices, measures, payment rates, and cost-share percentages, not to exceed statutory limits, available under GRP. A list of restoration practices approved for cost-share assistance under GRP restoration plans is available to the public through the local USDA Service Center. NRCS, working through the local conservation district with the program participant, determines the terms of the restoration agreement. The conservation district may assist NRCS with determining eligible restoration practices and approving restoration agreements. Restoration agreements do not extend past the date of a GRP rental agreement or easement.

(c) Only NRCS approved restoration practices and measures are eligible for cost sharing. Payments under GRP res-

toration agreements may be made to the participant of not more than 90 percent for the cost of carrying out conservation practices and measures on grassland and shrubland that has never been cultivated, and not more than 75 percent on restored grassland and shrubland on land that at one time was cultivated.

(d) Restoration plans are entered into for restoring either native or naturalized plant communities. When seeding is determined necessary for restoration, USDA gives priority to using native seed. However, when native seed is not available, or returning the land to native conditions is determined impractical by USDA, plant propagation using species that provide similar functions and values may be utilized.

(e) Cost shared practices must be maintained by the participant for the life of the practice, as identified in the restoration agreement. The life of the practice must be consistent with other USDA cost shared or easement programs. Failure to maintain the practice is dealt with under the terms of the restoration agreement and may involve repayment of the Federal cost share plus interest.

(f) All conservation practices must be implemented in accordance with the NRCS Field Office Technical Guide.

(g) Technical assistance is provided by NRCS, or an approved third party.

(h) If the participant is receiving cost share for the same practice from State or local government, NRCS will adjust the GRP cost share rate so that the combined cost share received by the participant does not exceed 100 percent of the total actual cost of the restoration. In addition, the participant cannot receive cost-share from more than one USDA cost-share program for the same conservation practice.

(i) Cost share payments may be made only upon a determination by a qualified individual approved by the NRCS State Conservationist that an eligible restoration practice has been established in compliance with appropriate standards and specifications.

(j) Restoration practices identified in the restoration plan may be implemented by the participant or other designee. Cost-share payments will not be

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made for practices applied prior to submitting an application to participate in the program.

(k) Cost share payments will not be made for practices implemented or initiated prior to the approval of a rental agreement or easement acquisition unless a written waiver is granted by USDA at the State level prior to installation of the practice.

§ 1415.12 Modifications to easements and rental agreements.

(a) After an easement has been recorded, no modification will be made to the easement except by mutual agreement by the Chief, NRCS, and the landowner.

(b) Easement modifications may only be made by the Chief, NRCS, after consulting with the Office of the General Counsel. Minor modifications may be made by the NRCS State Conservationist in consultation with Office of the General Counsel. Minor modifications are those that do not affect the substance of the conservation easement deed. Such modifications include, typographical errors, minor changes in legal descriptions as a result of survey or mapping errors, and address changes.

(c) Approved modifications will be made only in an amendment to an easement which is duly prepared and recorded in conformity with standard real estate practices, including requirements for title approval, subordination of liens, and recordation.

(d) The Chief, NRCS, may approve modifications on easements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely affect the grassland functions and values for which the land was acquired or other terms of the easement.

(e) NRCS State Conservationists may approve modifications for restoration agreements and conservation plans as long as the modifications do not affect the provisions of the easement or rental agreement and meets GRP program objectives.

(f) USDA may approve modifications on rental agreements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely affect

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the grassland functions and values for which the land was enrolled.

§ 1415.13 Transfer of land.

(a) Any transfer of the property prior to the participant's acceptance into the program shall void the offer of enrollment, unless at the option of USDA at the State level, an offer is extended to the new participant and the new participant agrees to the same easement or rental agreement terms and conditions.

(b) After acreage is accepted in the program, for easements with multiple payments, any remaining easement payments will be made to the original landowner unless USDA receives an assignment of proceeds.

(c) Future annual rental payments will be made to the successor participant.

(d) The new landowner or contract successor is responsible for complying with the terms of the recorded easement or rental agreement and for assuring completion of all measures and practices required by the associated restoration agreement. Eligible cost share payments will be made to the new participant upon presentation that the successor assumed the costs of establishing the practices.

(e) With respect to any and all payments owed to landowners, the United States bears no responsibility for any full payments or partial distributions of funds between the original landowner and the landowner's successor. In the event of a dispute or claim on the distribution of cost share payments, USDA may withhold payments without the accrual of interest pending an agreement or adjudication on the rights to the funds.

(f) The rights granted to the United States in an easement shall apply to any of its agents or assigns. All obligations of the landowner under the GRP conservation easement deed also binds the landowner's heirs, successors, agents, assigns, lessees, and any other person claiming under them.

(g) Rental agreements may be transferred to another landowner, operator or tenant that acquires an interest in the land enrolled in GRP. The successor must be determined by USDA to be eligible to participate in GRP and